

BEWARE OF CREDIT CARD PROTECTION COMPANIES

Credit card protection companies offer to keep track of your credit cards and, in the event your cards are lost or stolen, contact your credit card companies. They also offer emergency cash if cards are lost or stolen when you are away from home. Consumers should be wary of these types of offers. Some of these companies' claims have turned out to be too good to be true.

Currently, consumers are being solicited via the telephone to purchase credit card protection. Consumers are told that the Internet is a source for less than honest people to obtain credit card numbers. They are told that this activity is very prevalent and that credit card protection is needed to protect them.

In the past, some North Dakota consumers received a sweepstakes notice in which they were told they would receive a prize. When they called to claim the prize, they were told they would have to purchase a credit card protection service in order to receive the prize.

Others received a solicitation with a check from a credit card protection company. The company encouraged consumers to cash the check, but the fine print on the company's solicitation showed that by cashing the check, the consumer agreed to a one-year membership for which they were charged. Consumers were charged from \$57 up to \$120 for credit card protection services.

Under the Fair Credit Billing Act, consumers already are offered credit card protection. You may want to contact the issuer of your credit card for information on what your agreement provides for you.

It's interesting to find that most consumers who have filed complaints with the Office of Attorney General's Consumer Protection Division have done so because they received unauthorized charges by the credit card protection company. These are the very same companies that are offering the credit card protection!

Here are some tips to protect yourself from credit card fraud.

- ?? **Never give your credit card number to anyone over the telephone** unless you are familiar with the company with which you are conducting business.
- ?? **Save your receipts and check them against your statement.** When your monthly statement arrives, check it against your receipts. If you see a charge you don't recognize or notice any inconsistencies, write to your credit card provider immediately.
- ?? **Don't reveal any personal information when you use your credit card.** Merchants cannot require you to provide any personal information, such as your address or telephone number, as a condition to accepting your card. They may require only a valid card and your signature. This is for your own protection.
- ?? **If your credit card or charge card is lost or stolen, call the card issuer immediately.** Most card companies have a toll-free number for reporting missing cards. Some companies provide 24-hour service. By law, once you report the loss or theft, you have no further liability for unauthorized charges. If charges happen before you call, your maximum liability under federal law is \$50 per card.
- ?? **If you suspect that someone has illegally used your account number, send the card issuer a letter** that includes your name, account number, the charge or charges you are questioning, and your reason for doing so. You must direct your letter to the "billing error address" provided on your statement, and it must reach the creditor within 60 days after the first bill containing the error was mailed to you. If you send a letter by certified mail, with a return receipt requested, you will have proof that the card issuer received your letter.

If you decide to call the card issuer for faster action, use the special number many card issuers list on their billing statements, but follow up your phone call with a letter. Only a letter protects your rights under the Fair Credit Billing Act.

The card issuer must acknowledge receipt of your letter or correct the error within 30 days. If receipt of the letter is acknowledged, the issuer must investigate and either correct the mistake or justify the charges within two billing cycles or 90 days, whichever is less. You may be asked to sign a statement under oath that you did not make the purchases in question.

If a member of your immediate family (spouse, child, parent) “borrows” your credit card -- with or without your knowledge -- and makes a purchase, you may be liable for that purchase. Treat your credit cards like the very important personal property they are.

If you become separated or divorced and your spouse is on your credit card account, you still may be liable for your spouse’s purchases. Be sure to change the status of your credit cards when your marital status changes.